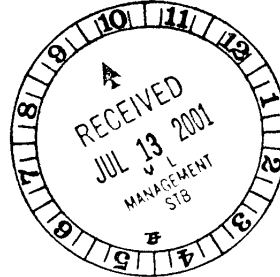


First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018
Tel 847 318-7575
Fax 847 318-7588

VIA UPS NEXT DAY AIR

July 12, 2001

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment



Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated April 30, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation number 22581.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Cascade and Columbia River Railroad Co.
5300 Broken Sound Blvd., NW 2nd Floor
Boca Raton, FL 33487

A description of the railroad equipment covered by the enclosed document is twenty (20) 52' gondolas with 5'6" sides with car numbers NDYX 596-643, non-inclusive.

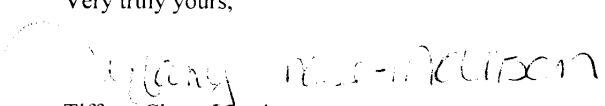
A short summary of the document to appear in the index follows:

Memorandum of Lease between First Union Rail Corporation, Lessor and Cascade and Columbia River Railroad Company, Lessee, covering 20 52' gondolas with 5'6" sides, with car numbers NDYX 596-643, non-inclusive.

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,


Tiffany Chase-Morrison
Manager of Documentation

Enclosures

(CSCD022)

RECORDATION NO. **22581-E** FILED

JUL 17 '01 3-42 PM
TS
SURFACE TRANSPORTATION BOARD

ASSGN. NO. CSCD022

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 30th day of April, 2001, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Cascade and Columbia River Railroad Co. ("Lessee"), a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of June 15, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 21 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of March 13, 2001, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: K. A. Dombrowski
Name: K. A. DOMBROWSKI
Title: DIRECTOR OF DOCUMENTATION

By: Richard F. Seymour
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing

Executed on this 30th day of April, 2001.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

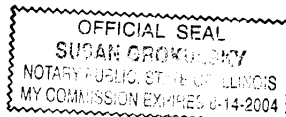
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 30th day of April, 2001.

Susan Grokulska
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



RECORDATION NO. 22581-E FILED

JUL 17 '01 3:42 PM

SURFACE TRANSPORTATION BOARD

LESSEE:

CASCADE AND COLUMBIA RIVER RAILROAD CO.

By: *[Signature]*
Name: A.M. Sauer
Title: VP Business Development

ATTEST:

By: *[Signature]*
Name: David McClelland
Title: Manager - Fleet

Executed on this 20th day of April, 2001.

[CORPORATE SEAL]

STATE OF Florida

COUNTY OF Palm Beach

I, *[Signature]*, a Notary Public of the County and State aforesaid, certify that *[Signature]* personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 20th day of April, 2001.

[Signature]
Notary Public

Commission Expires:

July 16, 2001
(Notary Public)

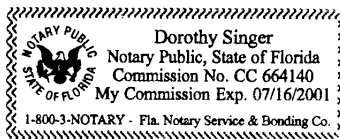


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Twenty (20)

DESCRIPTION OF CARS: 52' Gondolas with 5'6" sides

CAR NUMBERS: See below:

NDYX 596

NDYX 599

NDYX 600

NDYX 602

NDYX 607

NDYX 612

NDYX 614

NDYX 615

NDYX 616

NDYX 619

NDYX 620

NDYX 621

NDYX 624

NDYX 625

NDYX 626

NDYX 632

NDYX 634

NDYX 640

NDYX 642

NDYX 643

Count: 20